

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 EURE-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-12 FRB-03 H-03 INR-11 INT-08 L-03

LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-03

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03

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FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC PRIORITY 9758

INFO USMISSION EC BRUSSELS PRIORITY

USMISSION GENEVA

USMISSION OECD PARIS

AMEMBASSY DUBLIN

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY THE HAGUE

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PASS AGRICULTURE

E.O. 11652 N/A

TAGS: EAGR, EEC, DA

SUBJECT: DANISH VIEWS ON CAP PRICE ISSUE

1. ALTHOUGH ONE OF SURPRISE THE DANISH REACTION HAS BEEN
GENERALLY SMPATHETIC TO THE GERMAN VETO OF THE 5 PERCENT ROUND
OF EC FARM PRICE INCREASES. DENMARK HAS BEEN PARTICULARLY
IRKED BY THE IMPLEMENTATION OF NATIONAL SUPPORT SCHEMES IN
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OTHER MEMBER COUNTRIES AND IS PLEASED TO HAVE GERMANY TAKE

A STRONG STAND AGAINST THEM. ALSO DENMARK WAS UNENTHUSIASTIC ABOUT THE UPWARD ACROSS THE BOARD PRICE ADJUSTMENTS. ALTHOUGH DENMARK WENT ALONG WITH THE 5 PERCENT INCREASE VOTED BY THE COUNCIL MEMBERS, IT WOULD HAVE PREFERRED LIMITING IT TO 4 PERCENT ON A SELECTIVE BASIS (I.E. MILK AND BEEF BUT NOT GRAINS) AGMIN KOEFOED CLAIMS DENMARK TOOK STRONG STANCE AGAINST NATIONAL MEASURES IN SEPTEMBER MEETING BUT FAILED TO GET GERMAN BACKING DURING COURSE OF MEETING.

2. WHILE CONFIRMING THE FOREGOING, KJELD EJLER, TRADE POLICY SPOKESMAN OF THE POWERFUL AGRICULTURAL COUNCIL, TOLD THE AGRICULTURAL ATTACHE THAT THE DANES FULLY EXPECT THAT THE 5 PERCENT INCREASE WILL BE CONFIRMED AT THE OCTOBER 2 MINISTERIAL MEETING IN RETURN FOR ASSURANCES AGAINST NEW NATIONAL SUPPORT SCHEMES AND SOME TYPE OF FUTURE COMMITMENT (PROBABLY VAGUE) TO ELIMINATE EXISTING ILLEGAL NATIONAL SCHEMES. HE DID NOT BELIEVE THE GERMAN DEMAND THAT THE CURRENT PRICE ADJUSTMENTS BE TAKEN INTO ACCOUNT IN THE SPRING PRICE REVIEW PRESENTED ANY REAL PROBLEM SINCE THIS WOULD BE SIMPLY A MATTER OF ADJUSTING THE NUMBERS TO GET WHATEVER NET SPRING INCREASES THAT MAY BE AGREED UPON.

3. EJLER DID NOT TAKE THE GERMAN DEMAND FOR REFORM OF THE CAP VERY SERIOUSLY AND HE EXPECTED THIS TO BE TAKEN CARE OF BY SOME VAGUE LANGUAGE ON OCTOBER 2 FOR REVIEW OF THE CAP. (WHILE DENMARK SEES A NEED TO STREAMLINE THE CAP, AS THE LARGEST BENEFICIARY UNDER THE CURRENT SYSTEM IT IS OPPOSED TO BASIC CHANGES IN CAP POLICIES. THE REPORTED GERMAN PROPOSAL TO LIMITED PRICE GUARANTEES TO CERTAIN PRODUCTION VOLUMES WOULD IN PARTICULAR BE OBJECTIONABLE TO THE DANES AS WOULD A DEFICIENCY-TYPE PAYMENT SYSTEM SINCE THE DANES SEE THEMSELVES AS COMPETITIVE PRODUCERS WITHIN THE EC) EJLER SEEMED CONVINCED THAT THE GERMAN CABINET TOOK ITS ACTION UEXPECTEDLY IN REACTION TO NEWS THAT FRANCE WAS ABOUT TO INTRODUCE AN ADDITIONAL NATIONAL SCHEME WHICH REACHED THE CABINET AT THE TIME IT WAS CONSIDERING APPROVAL OF THE 5 PERCENT INCREASE.

4. IN A SEPARATE CONVERSATION WITH ECON COUNSELOR, AGMIN KOFOED RELAYED SIMILAR VIEWS EXCEPT THAT HE WAS CONCERNED OVER EFFECTS INCREASED COST OF INTERVENTION BEEF BUYING WOULD LIMITED OFFICIAL USE

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HAVE ON DANISH BUDGET. HE SAID HE WOULD HAVE PREFERRED NO PRICE INCREASES AT ALL UNTIL NEXT SPRING BUT REALIZED HE COULD NOT MAKE THIS HIS OFFICIAL POSITION. IN A THIRD CONVERSATION FONOFF SOURCE ECHOED EJLERS VIEWS TO AG ATTACHE. DUNNIGAN

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